

## Workforce Supply

- **Unemployment is low, but Alabama has a large 586,000-strong available labor pool, that includes 495,700 underemployed workers who are looking for better jobs.**

The underemployed are willing to commute farther and longer, some for 20 or more minutes longer and 20 or more extra miles.

Labor Force	2,155,745
Employed	2,065,528
Underemployment rate	24.0%
Number of underemployed workers	495,727
Unemployed	90,217
<b>Available labor pool</b>	<b>585,944</b>

Note: Based on August 2005 labor force data.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

- **In 2000, 78,200 Alabamians commuted out of the state for work, compared to 41,500 in-commuters.**

Eighty-five percent of commuter inflow and 86 percent of outflow involved the four neighboring states; Florida, Georgia, Mississippi, and Tennessee. Georgia alone provided jobs for 51 percent of Alabama out-commuters.

- **Significant commuting inside the state suggests that the state's roads, highways, and transportation systems must be maintained properly to ensure uninterrupted movement of workers.**

Impeded movement of workers can delay or slow down economic development. The one-way commute takes less than 20 minutes for 57 percent of workers, but more than 40 minutes for 11 percent of workers. Nearly 2 percent of workers spend more than an hour to get to work. The commute is less than 10 miles for 46 percent of workers; about 20 percent of workers travel more than 25 miles one-way and 6 percent exceed 45 miles.

- **Alabama has lower educational attainment, population growth, and labor force participation than the nation.**

Of the age 25 and over population, 75 percent are high school graduates and 19 percent hold bachelor's or higher degrees in Alabama. Nationally, 80 percent are high school graduates and 24 percent hold bachelor's or higher degrees. Labor force participation in 2004 was 62.5 percent for Alabama and 66 percent for the United States. Population growth from 1990-2000 was 10.1 percent, compared to 13.2 percent for the nation. The 2000-2010 projected population growth is 8.8 percent for Alabama and 11.8 percent for the nation.

## Workforce Demand

- **By sector, the top five employers in the state are manufacturing, retail trade, health care and social assistance, educational services, and accommodation and food services.**

These five sectors provided 1,042,134 jobs, about 58 percent of the state total in the second quarter of 2004. These leading employers are not the highest paying sectors; only manufacturing had wages that were above the state averages for new hires and current workers.

- **On average about 94,800 jobs were created per quarter from second quarter 2001 to second quarter 2004; average quarterly net job flows was about 6,700.**

Job creation is the number of new jobs that are created either by new area businesses or through expansion of existing firms. Net job flows reflect the difference between current and previous employment at all businesses.

- **Four occupations are both high-demand and fast-growing: Home Health Aides; Counter and Rental Clerks; Receptionists and Information Clerks; and Security Guards.**

The top five high-demand occupations are Cashiers; Retail Salespersons; Food Preparation and Serving Workers; Waiters and Waitresses; and Laborers & Freight, Stock, & Material Movers, Hand. The top five fast-growing occupations are Medical Assistants; Veterinary Technologists & Technicians; Home Health Aides; Medical Records & Health Information Technicians; and Network Systems & Data Communications Analysts.

- **The top 50 highest earning occupations are in health, legal, management, engineering, computer, and science fields.**

The top 10 are all health occupations (e.g. anesthesiologists, orthodontists, surgeons). Almost all high-earning occupations require bachelor's or higher degrees.

- **Fast-growing or high-demand occupations are generally not high-earning.**

Of 36 selected high-demand, 35 selected fast-growing, and 50 selected high-earning occupations, only one high-earning occupation, General and Operations Managers, is in the high-demand category. Three occupations are both fast-growing and high-earning: Pharmacists; Computer Software Engineers, Systems Software; and Computer Software Engineers, Applications.

Workforce Investment Advisory Areas



- Employment is currently growing faster than labor force and population.

## Implications for Workforce Development

- **Alabama's labor force must grow faster to meet workforce demand either by increasing the participation rate, growing population, or both.**

Workforce development initiatives that address this challenge might consider (i) focusing on hard-to-serve populations (e.g. out-of-school youth), (ii) facilitating in-commuting, and (iii) helping communities gain new residents. Increasing the number of residents is generally more beneficial to communities and the state. However, communities must be prepared to invest in amenities and infrastructure to support such growth. Hard-to-serve populations are often outside of the mainstream economy, poor, and have difficulty finding work. They are potential labor force participants and some investment in training, transportation, child care, infrastructure, etc. may be needed to tap this resource.

- **Economic development should target high-earning industries and workforce development should ensure availability of workers for such industries.**

High-demand and high-growth occupations are common to the lower wage leading employment sectors. Economic development should aim to diversify and strengthen the state economy by retaining, expanding, and attracting more high-wage providing industries. Workforce development efforts should prepare workers for these industries.

- **Training in basic skills is very important, but high-earning jobs require critical thinking, complex problem solving, and systems skills as well.**

Basic skills are important for high-demand, high-growth, and high-earning jobs. This indicates a strong need for training in such skills. Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills as well as enhancing these basic skills. Employers should be an integral part of planning for training as they can help to identify future skill needs and any existing gaps.

- **A highly educated and productive workforce is a critical economic development asset.**

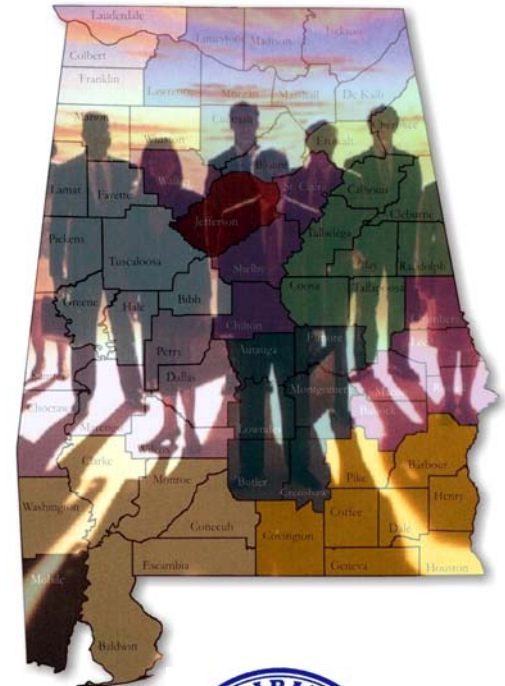
Skill and education requirements for jobs keep rising. There is therefore a very strong need to raise educational attainment in the state. Although this presents challenges to workforce development, it also presents opportunities for economic development through workforce development activities that involve postsecondary and higher education institutions. Higher incomes to graduates from these institutions would help to raise personal income for the state. Raising personal income by improving educational attainment and technological skills for a state that has low population and labor force growth rates is an effective economic development strategy. Thus, workforce development should continuously educate individuals, the public, and legislators about the private and social returns from education. This strategy will encourage individuals to seek to raise their own educational attainment level and also promote public support for education.

- **Ongoing worker retraining programs should be continued and enhanced.**

Alabama has a number of tools to assess, retrain, and place dislocated workers, especially those affected by outsourcing. These programs should be continued to ensure that the labor force participation rate does not fall.

- **Together, workforce development and economic development can build a strong and well-diversified state economy. Indeed, one cannot achieve success without the other.**

# State of the Alabama Workforce: 2005 Summary



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